

Missouri Timber Price Trends



Quarterly Market Report
Vol. 9 No. 4
Oct.-Dec., 1999

Missouri Timber Price Trends tracks market prices for Stumpage and Delivered Logs. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. Reports on the Log Market give delivered log prices and are compiled from reports submitted by sawmills and other wood processing plants. These reports should serve as a **general** guide to track stumpage and delivered log prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

Tree Scale Conversion Factors

Sawlogs - Veneer Logs		Int'l = Doyle x 1.38 Int'l = Scribner x 1.18
Pulpwood	Pine	5,200 lbs/cord
	Hardwood (hard)	5,600 lbs/cord
	Hardwood (soft)	4,200 lbs/cord

STATEWIDE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI (October-December, 1999))

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (MBF)
Veneer							
Black Walnut	\$1,200	\$1,200	\$1,200	\$1,200	-	1	9
White oak (group)	\$700	\$700	\$700	-	-	1	4
Sawlogs							
Ash	\$230	\$115	\$130	\$190	-	3	13
Black Walnut	\$685	\$685	\$685	\$505	-	1	14
Cottonwood	\$85	\$85	\$85	-	-	1	79
Hackberry	\$70	\$70	\$70	-	-	2	15
Hickory	\$85	\$50	\$75	\$140	-	2	7
Soft Maple	\$430	\$140	\$400	\$150	-	2	76
Oak (mixed species)	\$190	\$55	\$120	\$115	-	11	998
Red oak (group)	\$400	\$50	\$195	\$170	-	16	4,571
White oak (group)	\$540	\$50	\$290	\$235	-	24	858
Sycamore	\$140	\$50	\$135	\$90	-	2	35
Mixed Hardwoods	\$215	\$60	\$120	\$240	-	13	388
S Yellow Pine	\$215	\$75	\$165	\$165	-	8	629
Fence Posts							
S Yellow Pine	.15 each	.15 each	.15 each	91¢	-	1	128 cords
Stave Logs							
White oak (group)	\$355	\$175	\$265	\$210	-	3	31

OZARK TIMBER STUMPAGE PRICE TRENDS IN MISSOURI (October-December, 1999))

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (MBF)
Veneer							
Black Walnut	\$1,200	\$1,200	\$1,200	\$1,200	-	1	9
White oak (group)	\$700	\$700	\$700	-	-	1	4
Sawlogs							
Black Walnut	\$685	\$685	\$685	\$505	-	1	14
Hickory	\$50	\$50	\$50	\$150	-	1	1
Oak (mixed species)	\$190	\$55	\$120	\$110	-	10	997
Red oak (group)	\$300	\$50	\$195	\$230	-	12	4,480
White oak (group)	\$215	\$50	\$170	\$235	-	14	458
Mixed Hardwoods	\$215	\$60	\$125	\$240	-	10	329
S Yellow Pine	\$215	\$75	\$165	\$170	-	8	629
Fence Posts							
S Yellow Pine	.15 each	.15 each	.15 each	91¢	-	1	128 cords
Stave Logs							
White oak (group)	\$355	\$175	\$265	\$365	-	3	31

PRAIRIE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI (October-December, 1999))

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (MBF)
Sawlogs							
Ash	\$140	\$140	\$140	-	-	1	2
Cottonwood	\$85	\$85	\$85	-	-	1	79
Hackberry	\$70	\$70	\$70	-	-	1	14
Hickory	\$85	\$85	\$85	\$140	-	1	6
Soft Maple	\$430	\$430	\$430	-	-	1	69
Red oak (group)	\$400	\$55	\$330	\$85	-	3	80
White oak (group)	\$540	\$240	\$440	\$415	-	8	378
Sycamore	\$140	\$140	\$140	-	-	1	34
Mixed Hardwoods	\$70	\$70	\$70	\$240	-	2	21

RIVERBORDER TIMBER STUMPAGE PRICE TRENDS IN MISSOURI (October-December, 1999))

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (MBF)
Sawlogs							
Ash	\$230	\$115	\$125	\$190	-	2	11
Hackberry	\$70	\$70	\$70	-	-	1	1
Soft Maple	\$140	\$140	\$140	\$150	-	1	7
Oak (mixed species)	\$135	\$135	\$135	\$135	-	1	2
Red oak (group)	\$115	\$115	\$115	\$135	-	1	11
White oak (group)	\$225	\$115	\$195	\$135	-	2	22
Sycamore	\$50	\$50	\$50	\$80	-	1	1
Mixed Hardwoods	\$115	\$115	\$115	-	-	1	38



Missouri Department of Conservation, Forestry Division University of Missouri, Forestry Extension Missouri Forest Products Association

Welcome to the **Missouri Log Market Report**. This report is intended to provide information on delivered log prices and market conditions for loggers and mill operators. Landowners can benefit by tracking market conditions for the various wood products harvested from a tree.

The Log Market Report is published as a cooperative effort of the Forestry Division of the Missouri Department of Conservation, University of Missouri-Extension and the Missouri Forest Products Association.

The report details prices for **Grade Logs** by species and grade; and prices for **Below Grade Logs** by species and intended end use, such as blocking, pallet lumber or ties. All prices are based on the average mean within the grade standard or product line. Absolute maximums or minimums are not reported. All prices are based on a thousand board feet unit using the International 1/4" Log Scale. Log grades used in this report are based on the following **minimum** criteria:

	Grade 1	Grade 2	Grade 3
Minimum Diameter	13-15"	11"	8"
Minimum Log Length	10'	8'	8'

We hope you find the information useful and will be working to expand the number of participating mills; reported species and products (veneer, etc); and the range of coverage for the report. All information provided by the participating mills is confidential.

If you have any questions, comments, or would like to participate in the reporting program, please call the Missouri Department of Conservation Forestry Division at (573) 751-4115.

Average Statewide Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(October-December, 1999)

Veneer			
Species	High	Low	Avg
Red oak (group)	\$1,800	\$1,800	\$1,800
White oak (group)	\$1,800	\$1,220	\$1,555

*** 2 Mill(s) reporting 4.3 MMBF annual production**

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$420	\$330	\$240
Black Walnut	\$455	\$300	\$190
Cherry	\$845	\$550	\$300
Cottonwood	\$345	\$275	\$205
Elm	\$250	-	-
Hickory	\$215	\$185	\$165
Hard Maple	\$375	\$250	\$225
Soft Maple	\$620	\$475	\$405
Red oak (group)	\$450	\$365	\$230
White oak (group)	\$415	\$285	\$190
Eastern Redcedar	\$415	\$415	-
S Yellow Pine	\$165	\$170	\$150

*** 19 Mill(s) reporting 49.3 MMBF annual production**

Average Ozark Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(October-December, 1999)

Veneer			
Species	High	Low	Avg
Red oak (group)	\$1,800	\$1,800	\$1,800
White oak (group)	\$1,800	\$1,220	\$1,555

*** 2 Mill(s) reporting 4.3 MMBF capacity**

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$360	\$260	\$200
Black Walnut	\$455	\$300	\$190
Cherry	\$440	\$300	\$210
Elm	\$250	-	-
Hickory	\$215	\$185	\$165
Hard Maple	\$300	\$250	\$225
Soft Maple	\$300	\$200	\$200
Red oak (group)	\$360	\$285	\$195
White oak (group)	\$330	\$270	\$190
S Yellow Pine	\$165	\$170	\$150

*** 17 Mill(s) reporting 41.0 MMBF annual production**

Average Prairie Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(October-December, 1999)

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$455	\$415	\$275
Cherry	\$1,380	\$1,035	\$415
Cottonwood	\$345	\$275	\$205
Hard Maple	\$415	-	-
Soft Maple	\$690	\$535	\$485
Red oak (group)	\$1,380	\$1,035	\$485
White oak (group)	\$1,105	\$415	-
Eastern Redcedar	\$415	\$415	-

*** 2 Mill(s) reporting 8.3 MMBF annual production**

Insufficient data was collected to publish a delivered log price table for the River Border Region.

Average Statewide Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(October-December, 1999)

Below Grade Logs			
Species	Blocking	Pallet	Tie
Ash	\$130	\$165	\$195
Black Walnut	\$80	\$140	\$220
Cherry	\$80	\$155	\$210
Cottonwood	\$80	\$190	-
Elm	\$130	\$190	\$190
Hackberry	\$135	\$180	\$205
Hickory	\$135	\$160	\$195
Hard Maple	-	\$160	\$195
Soft Maple	-	\$175	\$200
Red oak (group)	\$140	\$160	\$205
White oak (group)	\$140	\$160	\$200
Pecan	\$80	\$150	\$240
Gum	\$130	\$140	\$195
S Yellow Pine	\$135	\$140	\$200

*** 19 Mill(s) reporting 45.7 MMBF annual production**

QUARTERLY MARKET CONDITIONS

24 mills, with a combined annual production of 59.4 million board feet, participated in the survey of log and lumber market conditions. In addition, foresters reported stumpage prices resulting from 30 timber sales containing 8.4 million board feet located throughout the state.

Other Product Prices (October-December, 1999)	
Product	Avg. Price (delivered)
Fence Posts	\$1/Each
Stave Logs	\$365/MBF Int.

Log Markets

The Log Market portion of this report is somewhat reduced in this issue due to the low number of mills reporting prices. Please note the absence of the River Border region log market table. Only one mill from the River Border region reported prices and our policy precluded publication of prices in that situation.

In general log prices have remained stable to slightly lower throughout the Fall months. Log inventories at nearly all mills have remained high mainly due to the excellent weather throughout the state. In fact, nearly one-half of the reporting mills indicated a surplus log inventory at the end of the year. Almost all mills reported log procurement levels comparable to or greater than in the third quarter with log prices at about the same level. It appears that seasonal increases in log prices due to shortages simply didn't happen in late 1999 and are not likely to occur in the first quarter of 2000. As long as good logging conditions persist, the situation is not likely to change.

A broad cross-section of markets were mentioned as showing slight improvement during the quarter. Flooring lumber and grade lumber were most often mentioned. Railroad tie markets appear to be spotty, being listed as both improved markets by some mills and declining markets by others. Pallet lumber was reported in a similar manner. White oak stave log markets appear to be soft in the South Central and Southeast portions of the state. Northern Missouri reports indicated a moderately strong demand for soft maple grade logs. The same is true for pine logs, 16' and longer in Southern Missouri.

Two mills in southern Missouri reported being shut down, one permanently. Shortage of labor, as well as price of raw material was cited as the reason for closing in both cases. However, the majority of the reports expressed optimism about business prospects in the coming year. No partisan political comments were received, indicating that our sawmillers have not yet been influenced by the flurry of presidential candidate activity in other states! It appears that many sawmillers are fairly comfortable with current log price levels and margins. Nearly all the reporting mills were operating at or near their single shift capacities. If one word could be used to sum up the sawmill business in the 4th Quarter of 1999, it would be stability.

Stumpage Markets

Stumpage prices are a real mixed bag this quarter. We received about twice the number of timber sale reports which contained about 5 times the volume as reported in the Third Quarter. However, no clear trends emerged as far as especially "hot" markets or products. Walnut, white oak, and a small volume of red oak veneer appear to be moving in seasonal markets at prices quite similar to

last year at this time. Markets for stave quality trees are somewhat spotty with the best prices being realized in SW Missouri.

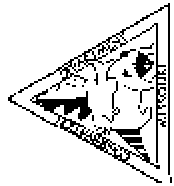
Once again, I would call your attention to information in the stumpage prices tables which indicated the total number of timber sales reported for each species. Prices calculated from only 1-3 reports can be somewhat misleading if they represent any kind of abnormal condition. Landowners who are contemplating selling timber containing species reported in only a few sales are cautioned that their results might vary significantly from the reported prices. Of course, the reliability of the values is much greater for those species indicating a larger number of sales, such as red oak, white oak, mixed oak, and mixed hardwoods. Southern yellow pine sales are also being reported more frequently.

I continue to hear from foresters around the state about situations where no bids are received for their sale offerings. I interpret this to mean than many mills in those areas have surplus log inventories and/or sufficient standing timber purchased to see them through the winter months. It also seems that stumpage prices have declined slightly across the board in those areas. Advice to landowners in these areas is too simply withhold the sales until better market conditions are evident. Timber product markets are currently stable with some improvement noted on the horizon. Since mill inventories don't last forever, eventually those mills will be seeking standing timber and you can sell your timber for a better value. Timber markets rarely fluctuate wildly, as those of you who have watched this report over the last 10 years can attest. However, you can take advantage of local situations and seasonal markets to realize above average returns.

Using the advice in the above paragraph, late Spring offerings of timber sales might be considered if you have sales marked and ready to go. This will be especially true if the remainder of the winter is severe, creating poor logging conditions. As always, contact a forester well in advance of anticipated timber sale needs because preparation of a proper timber sale takes time. Please consider specifying logger certification in your sale prospectus. Many of your friends and neighbors have been satisfied with the results when they did!

Editor's Note:

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (573) 751-4115, will be happy to provide you with the name and address of the Resource Forester or District Forest Office nearest to you.



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